

## CENTRAL INTELLIGENCE AGENCY

## INFORMATION REPORT

This Document contains information affecting the National Defense of the United States, within the meaning of Title 18, Sections 793 and 794, of the U.S. Code, as amended. Its transmission or revelation of its contents to or receipt by an unauthorized person is prohibited by law. The reproduction of this form is prohibited.

SECRET

25X1

COUNTRY USSR (Moscow Oblast)

REPORT NO. [REDACTED]

25X1

SUBJECT Living and Social Conditions in the USSR

DATE DISTR.

17 August 1953

NO. OF PAGES

7

25X1

25X1

DATE OF INFO. [REDACTED]

REQUIREMENT NO. [REDACTED]

PLACE ACQUIRED [REDACTED]

REFERENCES [REDACTED]

25X1

INCREASE IN SOVIET STOCKPILING INDICATED

1. The prices of consumer goods were generally the same in Krasnogorsk as in Moscow. Krasnogorsk was in reality a suburb of Moscow in this respect. The higher rural prices did not commence until about 20 kilometers farther out from Moscow. [REDACTED]

25X1  
25X1

2. As a general rule, price reduction laws introduced during the latter period of my employment in the USSR applied mainly to food products. Earlier price reductions lowered the prices of almost all consumer goods. [REDACTED] consumer goods prices remained constant after the introduction of recent price-reduction laws; that is, there was no perceptible subsequent increase.

25X1

25X1

3. It was noteworthy that not only clothing and hard consumer goods, but also food products were divided into two or three quality categories with corresponding prices for each grade. Economic analysts should be cautious in determining the effect of price-reduction laws as announced in the Soviet press as these official announcements generally only applied to second- and third-grade products. [REDACTED]

25X1

SECRET

STATE	M	#x	ARMY	#x	NAVY	#x	AIR	#x	FBI		AEC				
-------	---	----	------	----	------	----	-----	----	-----	--	-----	--	--	--	--

(Note: Washington Distribution Indicated By "X"; Field Distribution By "#".)

25X1

SECRET

25X1

-2-

- 25X1 [redacted]
- 25X1 4. The Soviet population reacted favorably to all the price-
- 25X1 reduction laws [redacted] no complaints [redacted]
- 25X1 [redacted] to the effect that recent price cuts were less effective
- 25X1 than those carried out in 1947 and 1949, but [redacted]
- 25X1 [redacted] a long series of price re-
- 25X1 ductions would be necessary before their standard of living
- 25X1 would be substantially raised. It is probable, of course, that
- 25X1 the Soviet employees [redacted] were se-
- 25X1 lected individuals and [redacted] they were particularly cautious
- 25X1 in expressing any opinions unfavorable to the Soviet regime.
- 25X1 In fact, the only expressions of discontent regarding price
- 25X1 cuts came from the collective farmers who sold goods to the
- 25X1 German specialists. They realized that the price-reduction
- 25X1 laws, by lowering State food prices, had the immediate effect
- 25X1 of lowering their incomes from sales on the free market.
- 25X1 They, of course, regarded this matter in a different light
- 25X1 than did the urban population.
- 25X1 5. A noticeable deterioration in the availability of consumer
- 25X1 goods in the Krasnogorsk area took place during the middle
- 25X1 or end of 1950 and continued until my repatriation to Germany
- 25X1 in January 1952. The German specialists were of the opinion
- 25X1 that the Soviet Government had decided to increase food
- 25X1 reserves and stock piles as a military measure, and therefore
- 25X1 decreased the amount of products for public consumption.
- 25X1 The Soviet population was undoubtedly aware of this deteri-
- 25X1 oration and was unhappy about it, to judge from the angry
- 25X1 faces which could be seen in the crowds of people queueing
- 25X1 up for butter in front of Moscow stores.
- 25X1 6. The Soviet citizenry was particularly critical of the Soviet
- 25X1 Government's policy of distributing flour only three or
- 25X1 four times per year. In fact, some German women refused to
- 25X1 stand in line for flour because of all the fights and
- 25X1 quarrels which invariably occurred among Soviet buyers. [redacted]
- 25X1 [redacted]
- 25X1 [redacted] recent shortages of butter and other products [redacted]
- 25X1 [redacted] had been brought about by the large
- 25X1 quantities of food and supplies shipped to the Chinese in
- 25X1 Korea, as well as by exports to Poland and Czechoslovakia.
- 25X1 7. To deal specifically with these shortages, [redacted]
- 25X1 butter and cheese were generally unavailable in Krasnogorsk
- 25X1 from the summer of 1950 until my departure in January 1952.
- 25X1 The German specialists were forced to make weekly trips to
- 25X1 Moscow to buy butter. Although butter was also hard to get
- 25X1 in Moscow (a shop sold only 300 grams to each customer),
- 25X1 at least it was available there. Butter had previously
- 25X1 (1948 and 1949) been readily available in Krasnogorsk.
- 25X1 The same was true of sausage, which was difficult to obtain
- 25X1 in Krasnogorsk stores in 1950 and 1951.

SECRET

SECRET

-3-

8. Furthermore, there was sporadic delivery of starchy foods such as macaroni, spaghetti, and noodles during 1950 and 1951. Long lines formed in front of the Krasnogorsk stores when these products were on sale. They had been readily available in 1948 and 1949. The same was true of white bread: there were more ample supplies in Krasnogorsk during 1948 and 1949 than during the succeeding two years.
9. It was also very difficult to obtain imported spices beginning with the year 1949. Evidently the supplies which had been obtained by means of wartime aid from the West, and which had been consumed in the early postwar years, had run out. This seemed to be true, too, of imported tea [redacted] as it was almost never available in Krasnogorsk during 1950 and 1951. 25X1
10. It is noteworthy that sugar was unavailable in Krasnogorsk during the summers of 1950 and 1951, until the new crops had been harvested. This had not been the case in the previous two years. And finally, felt boots, or valenki, were extraordinarily difficult to obtain during the winter of 1951-52, whereas they had not been hard to find in previous years. Only the most expensive valenki were available during our last winter there. No one could afford them. It is possible that this shortage resulted from shipments to the Korean War front.
11. [redacted] textile goods, shoes [redacted] 25X1  
[redacted] Germans avoided buying such articles except when urgently needed, because of their high prices. However, it is noteworthy that long lines of potential buyers of cheap textile goods invariably formed in front of Krasnogorsk stores immediately following the introduction of a general price reduction. The average Soviet evidently saved the few rubles he had available for such purchases until a price reduction went into effect. It was to be expected that the production of cheap textile goods, and those products within the reach of the average Soviet citizen, would have been stepped up prior to a price reduction in anticipation of increased demand. It appeared that this was not the case. 25X1  
25X1
12. There were a few products which were almost never available during our entire stay in the Soviet Union. Among these were knitting wool and leather. The public sale of wool and leather was apparently forbidden. Leather could only be obtained in public markets (and this was seldom) or by means of surreptitious deals with a shoemaker. The German wives purchased knitting wool from Soviet girls who worked in a nearby knitting mill. Apparently this wool was stolen property.
13. On the other side of the picture, certain consumer goods, which were previously unavailable or available only in small quantities, were more readily obtainable in 1950 and 1951. These goods included furniture, radios, bicycles, motorcycles, sport goods, ice boxes, rubber overshoes, canned and fresh fruit, and vegetables.

SECRET

SECRET

25X1

-4-

14. Among consumer goods which were recognizable as imported products were Czechoslovakian, Hungarian, Rumanian, Austrian, and East German leather shoes. The Soviet population preferred these to domestic shoes. Also to be seen in State stores were textile goods from Poland and Hungary and Rumanian furniture, carried for the first time in 1950-51. Certain East German goods appeared in Soviet stores in 1950 and 1951, including radios, bicycles, and motorcycles.

15. Imported food products included Hungarian bacon, [redacted] butter (available only in 1948 and 1949), frozen fish [redacted] and canned pineapple [redacted]. The latter was available in Soviet stores in large quantities in 1950. Tea from China [redacted] could be purchased. [redacted]

25X1

25X1

25X1

[redacted] Finally, Bulgarian cigarettes were available in Soviet stores beginning with 1950. No single item consisted entirely or even predominantly of imported goods. Consumer goods of domestic manufacture were always in the majority.

#### SOVIET ATTITUDES TOWARD STANDARD OF LIVING

16. [redacted] the present standard of living in the Soviet Union is not a source of widespread dissatisfaction among the Soviet population. The average Soviet citizen recognized the fact that his standard of living had increased considerably since the end of the war (there is no doubt on this point) and anticipated that this progress would continue. My Soviet acquaintances realized that their current standard of living did not measure up to the relative prosperity which prevailed in 1938 and 1939. They frequently remarked that they "had it good" before the war. Basic food products were readily available and at cheap prices. Nevertheless, they blamed their relatively poor present conditions on the war. They saw no signs of actual retrogression.
17. The living standards of Krasnogorsk inhabitants were, of course, primitive in comparison with Western standards. This situation was made more palatable by government propaganda, which stressed the future prosperity to be achieved under communism and emphasized the necessity for each Soviet citizen to make present sacrifices for this future goal. Many of my Soviet acquaintances indicated their belief that basic food products would be distributed free as the Soviet State progressed toward the achievement of communism. It was frequently rumored among Soviet workers at Plant No. 393 that bread would be distributed free of charge in the middle of the 1950's, after the completion of the present Five-Year Plan.
18. A large number of Soviet employees at Plant No. 393 had served in Germany after the war with the Soviet Army or as civilian technicians. Most of the latter group were high-level engineers who were extremely cautious in talking to us about their impressions of life in the West. But they frequently seemed to apologize to us Germans for the primitive living conditions in the Soviet Union. They explained their backwardness as "a result of the war" or else said that "things will be better".

25X1  
25X1  
25X1  
25X1

25X1

SECRET

SECRET

25X1

-5-

This would indicate that this group of civilian technicians and former army personnel had been favorably impressed with the standard of living in the GDR. This contact with the West undoubtedly raised the range of desires of these Soviet citizens. [REDACTED]

25X1

19.

SOCIAL CONDITIONSThe Technical Intelligentsia

20.

[REDACTED] most [REDACTED] were in the age bracket of 35 to 45 years. It is possible that they represented the Soviet generation which was put through accelerated training courses in the 1930's in order to replace older engineers whose professional activities had begun before the revolution. [REDACTED]

25X1

[REDACTED] Soviet [REDACTED] engineers. In contrast to Soviet workers, they were particularly careful not to associate with the German specialists and rarely engaged in general conversations with us. This aloofness on their part did not necessarily indicate greater loyalty to the State. It very possibly meant that persons in higher positions were more concerned about losing their jobs.

25X1  
25X1

21. One quality possessed by almost all Soviet engineers at Plant No. 393 who were entrusted with supervisory functions was their arrogant treatment of and attitude toward the German specialists. This was particularly true of Party members. These Soviet supervisors showed absolutely no desire or willingness to learn from German specialists, although they could well have profited from our knowledge and experience. In this respect, they contrasted sharply with the Soviet workers, who were quite eager to learn from their German counterparts.

SECRET

SECRET

-6-

22. Moreover, the somewhat older Soviet scientists who were employed in the scientific section demonstrated far less arrogance than the relatively poorly trained shop and section bosses. Unlike the latter, the scientists did not brag about their personal achievements and the superiority of Soviet science and culture. They were more international in outlook, less nationalistic, and more tolerant than the other Soviet employees. Perhaps this attitude was the result of contact with Western science. They undoubtedly were largely dependent on information contained in foreign scientific and technical journals and might have been influenced, socially speaking, by the material which they read.

25X1 23. [redacted] relationship between Soviet workers and technical intelligentsia. Disputes which arose between workers and supervisors were largely the result of individual personalities. Some bosses were domineering, whereas others were free and convivial with the workers.

25X1 24. [redacted] the Soviet technical intelligentsia [redacted] received relatively high salaries. It was true in a few cases that the wives of highly-placed personnel received good jobs at Plant No. 393, probably because of their husbands' influence. On the other hand, there are people throughout the world who try to take advantage of their positions.

25X1 25. There were naturally some differences in housing occupied by Soviet personnel as a result of varying incomes. [redacted] no regulation which set aside better housing for the technical intelligentsia, regardless of income. [redacted] several engineers who lived in apartment buildings occupied predominantly by working class families, [redacted] were forced to live in single rooms. And there were some workers who on their own initiative had constructed their own bungalows and who therefore had better housing at their disposal than engineers living in apartment buildings. It was true that the top technicians of Plant No. 393 were given apartments in a single building set aside for their use.

#### Relations between Soviet Nationalities

25X1 26. Only a small number of Soviet minority group members were employed at Plant No. 393, at least who could be recognized as such. [redacted] no preferential treatment was granted to either Great Russians or minority group members.

25X1 [redacted] the Great Russians showed no arrogance in their attitudes toward fellow Soviet citizens from the Ukraine or the Uzbek SSR. On the contrary, the people from the Caucasus and Moslem republics were those who demonstrated particular pride in their nationality and who were quick to point out that they were not Russians but Uzbeks, for example.

SECRET

SECRET

-7-

27. On the other hand, it was remarkable that non-Jewish Soviet citizens made a sharp distinction between themselves and Soviet citizens of Jewish origin. Jews were not recognized as Russians or Ukrainians but as a group apart. Great Russians would frequently say, with overtones of dislike, "He is a Jew", when speaking of one of their fellow Soviet workers. They demonstrated a conscious desire to disassociate themselves from Soviet Jews. Soviet Jews occupied a disproportionate number of leading positions at Plant No. 393. Other Soviet workers and employees voiced their disapproval of this situation,

28.

25X1

25X1

SECRET